GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:167
ANSWERED ON:23.07.2001
INCREASE IN FARES OF INDIAN AIRLINES
PADAMSEN CHAUDHARY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether any decision has been taken recently to increase the fares of Indian Airlines;

(b) if so, the reasons therefor; and

(c) the details of the increase in fare of Indian Airlines alongwith the percentage-wise increase that took place during the past three years?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a): Indian Airlines has introduced w.e.f. 25.5.2001, market responsive flexi-fares which enables the airlines to consider fare variations on `sector to sector` and `season to season` basis.

(b): There was substantial increase in the costs of inputs since last year. The important ones are:-

1) Increases in ATF price and Sales Tax thereon 2) Increase in Landing and Navigational charges 3) Increase in aircraft maintenance expenditure due to increase in rate of exchange, ageing fleet and spares price 4) Increase in Insurance Premium 5) Increase in security expenditure due to introduction of random sky marshalling of domestic flights in Indian Airlines Limited/Airline Allied Services Limited network 6) Increase in ground handling cost at Cochin due to withdrawal of self handling facility

All the above costs were beyond the control of Indian Airlines.

The implementation of flexi-fare regime will result in higher realisation of revenue which will partly offset the increase in the input costs.

(c): The increase in fare was only on 68 out of the 165 sectors as per the following details:-

Fare Increase	No. of sectors.
0-5%	9
5-10%	20
10-15%	39
Total	68

On competitive routes in Category II fares have been kept lower than competitors by about Rs.100/- to 400/-

Fares have been lowered to pre-25th May, 2001 on 3 sectors effective 28th June, 2001.

Indian Airlines had increased its fares in October, 1998 when 11.2% fare increase was effected on all domestic sectors except North East and other Category II routes, where no increase in fare was effected.